



NOTICE

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) by virtual conferencing

Tuesday, June 14, 2022, 10:00 a.m. CT/9:00 a.m. MT

PLEASE TAKE NOTICE that on **Tuesday, June 14, 2022, at 10:00 a.m. CT/9:00 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting by virtual conferencing. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. This office will be open for attendance by the public during the meeting and LARM Board Member Melissa Harrell, or her designee, will inform the public about the location of the Open Meetings Act which is accessible to members of the public at the City of Wahoo office at 605 North Broadway, Wahoo, Nebraska, 68066. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. You may join the meeting by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/89808035988?pwd=QnJETEZUT2NzVVhrWDdlUm9mWWNIQT09> or via phone at 346-248-7799. The Meeting ID: 898 0803 5988 and the passcode is 616382.

On June 8, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



AGENDA

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)

by virtual conferencing

Tuesday, June 14, 2022, 10:00 a.m. CT/9:00 a.m. MT

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at the meeting and at the links below for examination and copying. The LARM Board may pass motions to go into closed session on agenda items pursuant to the requirements of the Open Meetings Act.

Join the Meeting by Zoom via Computer, Smart Device or Telephone –

<https://us06web.zoom.us/j/89808035988?pwd=QnJETEZUT2NzVVhrWDdlUm9mWWNIQT09> or via phone at 346-248-7799. The Meeting ID is 898 0803 5988 and the passcode is 616382.

Officials of LARM members and members of the public may comment on agenda items or listen to the Board Meeting; however, if the Board votes to hold a closed session pursuant to the Open Meetings Act, officials of LARM members and members of the public may not comment or listen during that time.

1. Call meeting to order:

a. 10:00 a.m. CT/9:00 a.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.

b. Indicate that on June 8, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- <http://www.facebook.com/larmne>

c. LARM Board Member Melissa Harrell, or her designee, will inform the public about the location of the Open Meetings Act which is accessible to members of the public at the City of Wahoo office at 605 North Broadway, Wahoo, Nebraska, 68066, open to the public for the meeting. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted.

d. Pledge of Allegiance to the Flag of the United States of America.

e. Roll call.

f. Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

2. Consider a motion to approve the minutes of the May 25, 2022, Meeting of the LARM Board of Directors.

See pages 1-8

3. Consider a motion to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-22; b) Cyber Liability, effective 07-01-22; c) Pollution Liability, effective 07-01-22; and, d) Deadly Weapon Response Program, effective 07-01-22.

- *Justin Swarbrick, Alliant*
- *Chris Cadwell, Sedgwick*
- *Dave Bos, LARM*
- *Tracy Juranek, LARM*
- *Lynn Rex, LARM*

See pages 9-16

4. Discuss possible dates for the next meeting of the LARM Board of Directors.

- *Lynn Rex, Administrator, LARM*
- *Dave Bos, Executive Director, LARM*

5. Consider a motion to adjourn.

MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Wednesday, May 25, 2022, 10:00 a.m. CT/9:00 a.m. MT
Cornhusker Marriott Hotel – Grand Ballroom, B and C
333 S 13th Street, Lincoln NE

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held May 25, 2022, at 10:00 a.m. CT/9:00 a.m. MT in the Grand Ballroom, B & C at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

(AGENDA ITEM #1) **Call to Order.** At 10:02 a.m. CT, **LARM Board Chair Mayor Doug Hanson**, called the Meeting to order.

The roll call was read with the following voting Board Members present: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Don Groesser**, City of Ralston; **Mayor Doug Hanson**, City of Hickman; **Melissa Harrell**, Administrator, City of Wahoo; **Jo Leyland**, Administrator/Clerk/ Treasurer, City of Imperial; **Tom Ourada**, Administrator, City of Crete; **Chris Rector**, Administrator, City of Holdrege; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; and **Mayor Joey Spellerberg**, City of Fremont. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities and Administrator of LARM was present.

At the time of roll call: 10 voting Board Members were present; the five that were absent were **Connie Jo Beck**, Clerk/Deputy Treasurer, City of St. Paul; **Pam Buethe**, Board Member, Sarpy County SID #29; **Mayor Tony Kaufman**, City of Gering; **Mayor Josh Moenning**, City of Norfolk; and **Mayor Deb VanMatre**, City of Gibbon. Ex-officio (non-voting) Board Member **Mayor Paul Lambert**, City of Plattsmouth and President of the League of Nebraska Municipalities, was absent.

Other participants included: **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Fred Wiebelhaus, Randy Peters, Ethan Nguyen, Drew Cook, Nate Fox and Clint Simmons; **League of Nebraska Municipalities** – Shirley Riley and Christy Abraham (by Zoom); **Lamson Dugan & Murray Law Firm** – Jason Grams, Anne Marie O'Brien; **Cline Williams Law Firm** – Trent Sidders; **Sedgwick** – Chris Cadwell, Mark Weaver, John Brockschmidt, Rebecca Atkinson, Andrew Finn, and John Baum; **Alliant** – Justin Swarbrick; **National League of Cities Mutual Insurance Company** - Ryan Draughn and Mark Snodgrass; **City of Imperial** – Joshua Wendell; and **Village of Morrill** – Janine Schmidt (by Zoom).

Board Chair Mayor Doug Hanson indicated that on May 19, 2022, notice of this Meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this Meeting with the agenda and other materials was available for public inspection at 1335 L Street in Lincoln, Nebraska, and also was posted with the following

links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting, with a link to the current Open Meetings Act on LARM's website – larmpool.org and Facebook page – www.facebook.com/larmne.

Chair Hanson stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The pledge of allegiance to the United States of America was recited.

Chair Hanson stated the following regarding public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors. Chair Hanson noted that agenda item 6 would be switched with agenda item 7 because of time constraints of the NLC presenters.

(AGENDA ITEM #2) **Consider a motion to approve the minutes of the March 1, 2022, Meeting of the LARM Board of Directors.** Harrell moved, seconded by Doane to approve the minutes of the March 1, 2022, Meeting of the LARM Board of Directors. Chair Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: None. Absent: Beck, Bueth, Kaufman, Moenning and VanMatre. ***Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.***

(AGENDA ITEM #3) **Overview was given by Jason Grams, Partner, Lamson Dugan & Murray, LARM's Legal Counsel on Imperial's Claim and Case and Andrew Finn, Sedgwick Litigation Manager on the following: 1) the role of the LARM Board of Directors regarding Imperial's Claim No. LARL 10696A1 and *Leibhart v. City of Imperial, et. al.*, Case No. D72 CI 220000004, Chase County District Court, Nebraska; and 2) review of LARM's and Sedgwick's claims handling process.** Following the overview by Jason Grams, Chair Hanson asked for discussion. There was none.

(AGENDA ITEM #4) **Presentation was given by Joshua Wendell, McQuillan & Wendell, Legal Counsel for the City of Imperial regarding the City of Imperial's appeal of LARM's denial of coverage for a claim made by Dan, Stacy & Brock Leibhart (LARL 10696A1) and their lawsuit against the City of Imperial entitled *Leibhart v. City of Imperial, et. al.*, Case No. D72 CI 220000004, Chase County District Court, Nebraska.** Following the presentation by Joshua Wendell, Chair Hanson asked for discussion. There was none.

(AGENDA ITEM #5) Consider a motion to go into closed session to protect the public interest to confer with legal counsel:

- 1) to discuss Claim No. LARL 10696A1 from the City of Imperial and lawsuit *Leibhart v. City of Imperial, et al.*, Case No. D72 CI 220000004, Chase County District Court, Nebraska;
- 2) to discuss whether to file a declaratory judgment action on the coverage issue to clarify the City of Imperial's rights and duties under the coverage document; and
- 3) to include the following individuals in closed session with the LARM Board of Directors: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Jason Grams, Anne Marie O'Brien, Andrew Finn, John Brockschmidt, Chris Cadwell, John Baum and Diane Becker.

At 10:30 a.m., Rector moved and Ourada seconded the motion to go into closed session to protect the public interest to confer with legal counsel: 1) to discuss Claim No. LARL 10696A1 from the City of Imperial and lawsuit *Leibhart v. City of Imperial, et al.*, Case No. D72 CI 220000004, Chase County District Court, Nebraska; 2) to discuss whether to file a declaratory judgment action on the coverage issue to clarify the City of Imperial's rights and duties under the coverage document; and 3) to include the following individuals in closed session with the LARM Board of Directors: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Jason Grams, Anne Marie O'Brien, Andrew Finn, John Brockschmidt, Chris Cadwell, John Baum and Diane Becker. Chair Hanson asked for discussion. There was none.

Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: Leyland. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.**

Chair Mayor Doug Hanson repeated the above motion in its entirety authorizing the Board to go into closed session.

At 10:34 a.m. the Board was in closed session.

At 11:35 a.m. Chair Hanson stated the Board was out of closed session; he restated the above motion in its entirety authorizing the Board to go into closed session. He stated there was no action taken in the closed session pursuant to the Open Meetings Act.

(ADDITIONAL AGENDA ITEM) Consider a motion to affirm the denial of both the defense and indemnity of Imperial's Claim No. LARL 10696A1 and lawsuit (*Leibhart v. City of Imperial, et. al.*) based on the review of the following:

- 1) the denial letter dated March 18, 2022, prepared by Anne Marie O'Brien, Partner of Lamson, Dugan & Murray, LARM's Coverage Counsel to opine on the issue of whether indemnification and a defense is owed to Imperial;

- 2) the letter dated May 9, 2022, from Joshua Wendell of McQuillan & Wendell, Legal Counsel for the City of Imperial;
- 3) the relevant materials in the LARM Board packet; and
- 4) the relevant presentations made in open session at today's LARM Board Meeting.

LARM Chair Hanson moved, seconded by Spellerberg to affirm the denial of both the defense and indemnity of Imperial's Claim No. LARM 10696A1 and lawsuit (Leibhart v. City of Imperial, et. Al.) based on the review of the following:

- 1) the denial letter dated March 18, 2022, prepared by Anne Marie O'Brien, Partner of Lamson, Dugan & Murray, LARM's Coverage Counsel to opine on the issue of whether indemnification and a defense is owed to Imperial;
- 2) the letter dated May 9, 2022, from Joshua Wendell of McQuillan & Wendell, Legal Counsel for the City of Imperial;
- 3) the relevant materials in the LARM Board packet; and
- 4) the relevant presentations made in open session at today's LARM Board meeting

Chair Hanson asked if there was any discussion and Spellerberg said he seconded the motion for the same reasons outlined in Chair Hanson's motion. Spellerberg added that the claims are not covered in the Coverage Document and there is no coverage for breach of contract claims or intentional acts. Chair Hanson again repeated the above motion in its entirety to affirm the denial of both the defense and indemnity of Imperial's Claim No. LARM 10696A1 and lawsuit (Leibhart v. City of Imperial, et. Al.). Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: Leyland. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.** Jo Leyland asked that the record show she asked not to be included in the closed session and was not included. Chair Hanson stated the record would reflect her request.

(ADDITIONAL AGENDA ITEM) **Motion to authorize Lamson, Dugan & Murray to file a declaratory judgment action on the coverage issue to clarify the City of Imperial's rights and duties under the coverage document.**

Chair Hanson moved, seconded by Spellerberg to authorize Lamson, Dugan & Murray to file a declaratory judgment action on the coverage issue to clarify the City of Imperial's rights and duties under the coverage document. Chair Hanson asked if there was discussion and Spellerberg stated he thought the motion authorizing a declaratory judgment action will expedite resolution of the coverage issue to the benefit of all parties involved. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: Leyland. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.**

(AGENDA ITEM #6, previously #7) **Consider a motion to accept the NLC Mutual Insurance Company Data Analytics Project Presentation and move forward with implementation.** (Presented by Ryan Draughn and Mark Snodgrass, NLC Mutual Insurance Company) Harrell moved, seconded by Schendt to accept the NLC Mutual Insurance Company Data Analytics Project Presentation. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: None. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #7, previously #6) **Consider a motion to accept the quarterly update on LARM investments.** (Presented by Michael Maloney, Senior Portfolio Manager, US Bank). Groesser moved, seconded by Brown to accept the quarterly update on LARM investments. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: None. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #8) **Consider a motion to accept the quarterly update on LARM financials.** (Presented by Mark Weaver, CPA, Director of Financial Reporting, Sedgwick). Doane moved, seconded by Ourada to accept the quarterly update on LARM financials. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, Spellerberg. Nays: None. Abstentions: None. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #9) **Consider a motion to accept the reinsurance renewal update and to set rates to achieve the overall funding targets of \$3,085,000 in contributions for General Liability, \$6,824,000 in contributions for Property, and \$3,213,000 in contributions for Workers Compensation contribution, which would result in an overall total contribution of \$13,122,000 based on review of By the Numbers Actuarial Consulting's (BYNAC) "Indicated Premium draft actuarial report for October 1, 2022-2023."** (Presented by Justin Swarbrick, Alliant; Mark Weaver, Director of Financial Reporting, Sedgwick; Chris Cadwell, Director of Pool Administration, Sedgwick; John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick) Groesser moved, seconded by Harrell to accept the property reinsurance renewal update and to set rates to achieve the overall funding targets of \$3,085,000 in contributions for General Liability, \$6,824,000 in contributions for Property, and \$3,213,000 in contributions for Workers Compensation contribution, which would result in an overall total contribution of \$13,122,000 based on review of By the Numbers Actuarial Consulting's (BYNAC) "Indicated Premium draft actuarial report for October 1, 2022-2023." Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: None. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #10) **Public disclosure of release and settlement agreement between Marvin Reeder and the City of Holdrege and the League Association of Risk Management in consideration of payment of the total sum of \$100,000 to provide release and discharge to the City of Holdrege and the League Association of Risk Management for a workers' compensation claim, in compliance with Nebraska Revised Statute 84-713.** (Presented by Dave Bos, Executive Director, LARM) Doane moved, seconded by Brown to accept the public disclosure of release and settlement agreement between Marvin Reeder and the City of Holdrege and the League Association of Risk Management in consideration of payment of the total sum of \$100,000 to provide release and discharge to the City of Holdrege and the League Association of Risk Management for a workers' compensation claim, in compliance with Nebraska Revised Statute 84-713. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, and Spellerberg. Nays: None. Abstentions: Rector. Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.**

(AGENDA ITEM #11) **Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation and to include the following individuals in closed session with the LARM Board of Directors: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Trent Sidders, Andrew Finn, John Brockschmidt, Chris Cadwell and John Baum.** Harrell moved, seconded by Doane to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Trent Sidders, Andrew Finn, John Brockschmidt, Chris Cadwell and John Baum. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, and Spellerberg. Nays: None. Abstentions: None Absent: Beck, Buethe, Kaufman, Moenning and VanMatre. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

Chair Hanson repeated the motion in its entirety to go into closed session.

The board went into closed session at 1:29 p.m.

At 1:43 p.m., Chair Hanson stated the Board was back in open session; he restated the above motion in its entirety. He also stated there was no action taken in the closed session pursuant to the Open Meetings Act.

(AGENDA ITEM #12) **Discuss the date for the next meeting of the LARM Board of Directors.** (Presented by Lynn Rex, Administrator; and Dave Bos, Executive Director, LARM). Bos stated that the next meeting may be a virtual meeting on June 14 with more information forthcoming.

(AGENDA ITEM #13) **Motion to adjourn.** Schendt moved, seconded by Ourada to adjourn. Roll call vote. Ayes: Brown, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Rector, Schendt, Spellerberg. Nays: None. Abstentions: None. Absent: Beck,

Buethe, Kaufman, Moenning and VanMatre. ***Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.*** The meeting was adjourned at 1:46 p.m.

Approved on:

ATTEST:

Diane Becker
Communications Director
League Association of Risk Management

L. Lynn Rex
LARM Administrator
Ex-Officio, Non-Voting, LARM Board Member
Executive Director of the League of Nebraska Municipalities



**NOTICE
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, May 25, 2022, 10:00 a.m. CT/9:00 a.m. MT**

PLEASE TAKE NOTICE that on **Wednesday, May 25, 2022, at 10:00 a.m. CT/9:00 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska.

An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone at <https://us06web.zoom.us/j/87142897526?pwd=MkVQNxpHWGFKd29RSUJJQVZ4M2hFUT09> or via phone at 346-248-7799. The Meeting ID: 871 4289 7526 and the passcode is 130105.

On May 19, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



LARM Reinsurance Update June 8, 2022

Presented by:

Justin Swarbrick
Doug Wozniak
Shane Storey



LARM Renewal Process

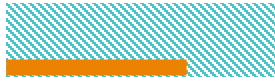
Date	Item
January	Sedgwick and Alliant have strategic meeting regarding the renewal and timeline
Mid - April	APIP markets determined they would institute a percentage wind/hail retention
Mid/Late - April	Alliant began exploring alternative options to APIP as a result of their wind/hail position
May	Alliant worked with NLC and other reinsurers around the world to replace APIP
Ongoing	Regular open items calls with LARM and Sedgwick
Today	Two options to present to LARM board



Impact of NLC Mutual Utilization



- Provide buffer to allow APIP and open market to remove Wind/Hail percentage deductible.
- No aggregate for CAT limits within the NLC layer.
- Coverage for transmission/distribution lines and utility poles (must be reported)
- Further strengthening of the partnership between NLC and LARM.
- Covers all risk, vehicle, flood, earthquake, wind/hail
- Property damage as a result of a “cyber incident” not covered



Results of Marketing Effort

Including Key Differences

Item for Consideration	Option 1: NLC and APIP	Option 2: NLC and Standalone Open Market Placement
Effective Date	7/1/22 – 7/1/23	7/1/22 – 10/1/23
Reinsurance	NLC follows LARM form, subject to specific reinsurer endorsements APIP follows LARM form, subject to not being broader than APIP form	Yes, follows LARM form, subject to specific reinsurer endorsements
Claims Handling	LARM, NLC and Reinsurer TPA	LARM, NLC and Reinsurer TPA
Stability	Largest property program in the world. 25+ years of stability	Standalone with less economies of scale
New Member (property)	Every new member needs to be reported	Quarterly Bordereau
Percentage Wind/Hail Retention	No	No
Total Costs (Annual)	\$3,048,690	\$3,297,475



Summary of LARM Reinsurance Program

Program Detail	2021-2022	2022-2023 (recommended)
Total Insurable Values	\$1,738,974,329	\$2,092,198,668
All Risk Limit	\$250,000,000	\$250,000,000
Flood Limit (non flood zone A)	\$50,000,000	\$50,000,000
Flood Zone A	Excluded	Excluded
Earthquake	\$40,000,000	\$40,000,000
Equipment Breakdown	\$100,000,000	\$100,000,000
Terrorism	\$250,000,000	\$250,000,000
Property Damage for "Cyber Incident"	Covered for Fire and Explosion	Covered for Cyber and Explosion excess of \$3 Million
Vehicle (Over the Road)	Full Limits	Up to \$3 Million then on Premise Only
Cyber Liability	\$2,000,000 per member*	\$2,000,000 per member*
Pollution Liability	\$2,000,000 per incident/aggregate*	\$2,000,000 per incident/aggregate*
Deadly Weapons Response Coverage	\$500,000 each event / \$2,500,000 annual aggregate*	\$500,000 each event / \$2,500,000 annual aggregate*

**For members not specifically excluded. Various sub-limits and aggregate limits apply*



Summary of LARM Reinsurance Program (cont.)

Program Detail	2021-2022	2022-2023 (recommended)
All Risk Retention	\$100,000	\$100,000
Aggregate Deductible	\$500,000 Aggregate subject to \$25,000 Maintenance retention (not eroded by CAT perils)	N/A
Wind Hail Retention	\$450,000	\$450,000
Terrorism Including Cyber Buy Back	\$100,000	\$100,000
Boiler & Machinery Retention	\$10,000*	\$25,000*
Cyber Liability Retention	\$250,000	\$250,000
Pollution Liability Retention	\$250,000*	\$250,000*

**Various alternative retentions exist for specific perils*



Summary of APIP Changes

Property

Miscellaneous Unnamed Locations Sub-limit dropping to \$10,000,000, with a \$2,500,000 limitation for vacant buildings. Previously \$25,000,000 with a \$10,000,000 limitation for vacant buildings.

Automatic Acquisition Sub-limit dropping to \$50,000,000 for 120 days, and \$5,000,000 limitation for vacant buildings. MUL Sub-limit applies after 120 days. Previously \$100,000,000 for 120 days, and no vacant buildings limitations.

\$25,000,000 limit for new pool members for 90 days, with a \$5,000,000 limitation for vacant buildings. After 90 days, new members excluded.

\$2,500,000 limit for vacant properties under Increased Cost of Construction (ICC). No restriction last year.

\$25,000 Equipment Breakdown Deductible. Previously \$10,000.

Off Premises Vehicles Not Covered due to Higher Retention. On Premises Coverage Remains.

Cyber

Beazley Breach Response Endorsement offered to new members pending underwriting. Previously not offered.

\$750,000 Aggregate Sub-Limit for Business Interruption and Dependent Business Interruption. No aggregate previously.

Pollution

Sub-Limits Amended to:

- \$2,000,000 Lead or Lead Containing Materials Program Aggregate – No Sub-Limit Previously
- \$1,000,000 Restoration Costs, Business Interruption and Extra Expense Program Aggregate (Mold Matter Only) – Prior Sub-Limit per Named Insured Aggregate, and did not sub-limit Business Interruption and Extra Expense
- \$1,000,000 Wildfire Per Pollution Incident – No Sub-Limit Previously
- \$5,000,000 Wildfire Program Aggregate Sub-Limit – No Sub-Limit Previously

Deductibles Amended to:

- \$500,000 Legionella – Previously \$250,000
- \$500,000 UST Less than 25 years old – Previously \$750,000

Questions?